

SENATE BILL

No. 6

Introduced by Senator Ashburn

May 19, 2005

An act to add Sections 20035.01 and 20035.51 to the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 6, as introduced, Ashburn. Public employees' retirement: final compensation.

The Public Employees' Retirement Law generally defines "final compensation," for state members and school members, for purposes of calculating retirement benefits, as the highest annual average compensation earnable by the member during a designated 12-month period. The Public Employees' Retirement Law also defines "final compensation" in other ways for specified member classifications.

This bill would define "final compensation" for state members and school members of the Public Employees' Retirement System who are hired on or after January 1, 2006, or who are members of an employee group that is not subject to a definition of final compensation based on the highest annual compensation earnable during a designated 12-month period, as the highest annual compensation earnable by the member during a consecutive 36-month period immediately preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier, or any other consecutive 36-month period designated by the member.

This bill would provide that its provisions become operative January 1, 2006.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 20035.01 is added to the Government Code, to read:

20035.01. Notwithstanding any other provision of this article, “final compensation” for the purposes of determining any pension or benefit with respect to a state member who is hired on or after January 1, 2006, or who is a member of an employee group that is not subject to a definition of final compensation based on the highest annual compensation earnable during a 12-month period, however the period may be designated, and with respect to benefits based on service with the state, means the highest annual compensation that was earnable by the state member during the consecutive 36-month period of employment immediately preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier or during any other period of 36 consecutive months during his or her membership in this system that the member designates on the application for retirement.

SEC. 2. Section 20035.51 is added to the Government Code, to read:

20035.51. Notwithstanding any other provision of this article, “final compensation” for the purposes of determining any pension or benefit with respect to a school member who is hired on or after January 1, 2006, or who is a member of an employee group that is not subject to a definition of final compensation based on the highest annual compensation earnable during a 12-month period, however the period may be designated, and with respect to benefits based on service with a school employer, means the highest annual compensation that was earnable by the school member during the consecutive 36-month period of employment immediately preceding the effective date of his or her retirement or the date of his or her last separation from service if earlier or during any other period of 36 consecutive months during his or her membership in this system that the member designates on the application for retirement.

SEC. 3. This bill shall become operative on January 1, 2006.

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